GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:6818
ANSWERED ON:10.05.2002
DEMANDS OF COFFEE PLANTERS
ANANDRAO ADSUL;VINAY KUMAR SORAKE

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether coffee growers have submitted any memorandum of demands seeking Governments support to tide over their crises;

(b) if so, the details of demands made by the coffee growers;

(c) whether the coffee growers have also demanded the waiver of interest on outstanding loans, Rs.1500 crore stabilisation fund, coverage of plantation workers under the Antyodaya Scheme and Minimum Support Price for four varieties of coffee; and

(d) if so, the extent to which the Government are likely to concede to the demands of the battered coffee industry?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) to (c) Yes Sir. Various coffee growers organisations/associations have been submitting representations/memoranda to the Govt. of India raising several demands such as some relief package from the banking sector, waiver of loans/interests, fixation of minimum support price for coffee, allocation of funds for increasing domestic consumption of coffee etc.

(d) For the benefit of coffee growers, the Govt. of India though Coffee Board has already been operating several plan schemes under which various types of financial and technical assistance are provided to the growers. In addition, in May 2001 at the behest of Govt. of India, the commercial banks had rescheduled the crop loans of small coffee growers and also extended fresh capital loans to them. The Board has also implemented an interest relief scheme, which provided 5% interest relief to targeted small coffee growers on working capital loans availed by them from the banks. The Coffee Board has also implemented a scheme under which financial assistance @ Rs.500 per tonne has been provided to Indian Coffee exporters for reducing their handling costs.

Recently, once again at the behest of Govt. of India, the Reserve Bank of India has announced a relief package for the coffee growers under which all types of coffee loans (short, medium and long terms including re-phased/rescheduled loans) which are outstanding as on 30th June, 2002 and not classified as Non Performing Assets, will be consolidated into a Special Coffee Term Loan (SCTL) with a repayment schedule ranging between 7-9 years and initial repayment holiday (moratorium) of two years, subject to certain condition and review thereafter.

Coffee Board is also implementing a medium-term export strategy and gain market share in the key markets and to improve the competitiveness of Indian Coffee in the global markets over the next few years.